

Message Text

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21

ACTION NEA-16

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TAGS: EMIN, JO

SUBJ: STATUS REPORT - COPPER AND OIL

1. OIL - NATOMAS COMPANY HAS COMPLETED ITS PRELIMINARY ASSESSMENT OF OIL POSSIBILITIES IN JORDAN. R.C. SLOCUM, DIRECTOR OF EXPLORATION FOR NATOMAS SPENT APPROXIMATELY TWO TO THREE WEEKS IN JORDAN REVIEWING TECHNICAL LITERATURE AND INSPECTING POTENTIAL AREAS FOR EXPLORATION. HE WAS ASSISTED BY TWO GEOLOGISTS FROM NATOMAS. UPON COMPLETION OF REVIEW LAST WEEK, SLOCUM RETURNED TO COMPANY HEADQUARTERS. WE DID NOT HAVE AN OPPORTUNITY TO DISCUSS HIS CONCLUSIONS BEFORE HE DEPARTED. HOWEVER, WE WERE INFORMED BY AZZAM HALHAS, SLOCUM'S JORDANIAN COUNTERPART, THAT HIS IMPRESSIONS WERE FAVORABLE. HE TOLD MALHAS THAT HE INTENDED TO RECOMMEND THAT HIS COMPANY UNDERTAKE EXPLORATION IN JORDAN. HE CAUTIONED MALHAS, HOWEVER, THAT HE COULD NOT COMMIT THE COMPANY OR GUARANTEE THAT IT WOULD FOLLOW HIS RECOMMENDATIONS. MAHLAS SAID GOJ IS EXPECTING TO RECEIVE A PROPOSAL FROM NATOMAS SOMETIME DURING JULY.

2. COPPER - EXXON ALSO HAS COMPLETED ITS ASSESSMENT OF COPPER POTENTIAL IN JORDAN. JOHN FROST, MANAGER OF
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MINERALS DEPARTMENT OF ESSO EASTERN AND ALLAN JAGER,

SENIOR GEOLOGIST, REVIEWED TECHNICAL LITERATURE AND EXAMINED THE SITE OF POTENTIAL COPPER MINING IN WADI DANA/WADI ARABA. AS WITH NATOMAS PEOPLE, ESSO REPRESENTATIVES WERE NOT VERY FORTHCOMING IN DESCRIBING THEIR INTENTIONS TO THE EMBASSY. THEY DID INDICATE THAT MORE EXPLORATION WAS NEEDED BEFORE A FINAL JUDGEMENT COULD BE MADE ON WHETHER EXXON WOULD BE PREPARED TO INVEST HERE. DETERMINING THE FULL EXTENT OF DEPOSITS, THEY SAID, WAS NECESSARY IN ORDER TO DECIDE ON PROPER SIZE OF MINING AND SMELTING OPERATION. ADDITIONALLY, THEY POINTED OUT METALURGICAL PROBLEMS WHICH HAVE BEEN KNOWN TO EVERYONE CONCERNED WITH COPPER IN JORDAN, I.E., PROBLEMS OF SEPARATING MANGANESE FROM COPPER. THEY INDICATED THAT JORDAN'S COPPER IS "NO BONANZA" BUT ON BALANCE, THEY APPARENTLY FEEL THAT THE POTENTIAL IS SUFFICIENTLY ATTRACTIVE THAT THEY WILL AT LEAST STUDY THEIR DATA, MAKE SOME FURTHER COST CALCULATIONS, ETC. IN MEANTIME GOJ HAS DECIDED TO GO AHEAD WITH THE FRENCH AND HAS SIGNED AN AGREEMENT WITH BRGM. HOWEVER, JORDANIANS HAVE ALSO INDICATED THEY WOULD BE INTERESTED IN EXXON PARTICIPATING AS PARTNER WITH THE FRENCH. EXXON WOULD APPARENTLY BE WILLING TO DO THIS IF THEIR PART OF THE INVESTMENT WAS SIZEABLE ENOUGH. FROST PROMISED TO SUBMIT WRITTEN PROPOSAL TO THE GOJ WITHIN THE NEXT WEEK OR TEN DAYS.

3. DURING TIME EXXON REPRESENTATIVES WERE IN AMMAN, DR. BOBBY FAULKNER OF BATTELLE WAS ALSO REVIEWING COPPER POTENTIAL. IN FINAL ANALYSIS GOJ CONCLUDED THAT BATTELLE PROPOSAL WAS MARGINAL TO THEIR INTERESTS. BOTH FRENCH AND EXXON INDICATED THAT IF EITHER OR BOTH DECIDED TO GO AHEAD WITH AN INVESTMENT, THEY WOULD UNDERTAKE WHATEVER METALURGICAL ANALYSES AND PILOT PROCESSING THAT WERE NEEDED. CONSEQUENTLY, GOJ CONCLUDED BATTELLE STUDY WAS NOT NEEDED. FAULKNER SUGGESTED TO GOJ THAT THEY CONSIDER EMPLOYING CONSULTANT LIKE BATTELLE TO SERVE AS DETACHED ADVISOR TO GOVERNMENT TO REVIEW THE PROPOSALS OF THE FRENCH AND/OR EXXON AND TO MONITOR THEIR ACTIVITIES. DR. SALEM, NPC, THINKS THIS WOULD BE SENSIBLE, BUT AS OF TIME OF FAULKNERS DEPARTURE THERE WAS NO INDICATION THAT THE GOVERNMENT INTENDED TO FOLLOW THIS APPROACH.

PICKERING

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